

MAR 13 2015

SENATE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO MONITOR AND REPORT ON THE RAIL TRANSIT
PROJECT OF THE CITY AND COUNTY OF HONOLULU.

1 WHEREAS, Act 247, Session Laws of Hawaii 2005, authorized
2 each county to adopt a surcharge on state general excise and use
3 taxes to be effective until December 31, 2022; and
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5 WHEREAS, that Act provided that a county with a population
6 of greater than five hundred thousand that adopts a surcharge
7 must use the surcharge revenue for the operating or capital
8 costs of a locally preferred alternative for a mass transit
9 project; and
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11 WHEREAS, the City and County of Honolulu subsequently
12 adopted an ordinance establishing a surcharge and later created
13 the Honolulu Authority for Rapid Transportation (HART) to
14 construct a rail transit project; and
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16 WHEREAS, HART has begun construction of the project but has
17 not been able to stay within its budget for a variety of
18 reasons; and
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20 WHEREAS, according to the financial plan submitted to the
21 Legislature by HART and the City administration, the project is
22 anticipated to have a funding shortfall of \$869 million when the
23 surcharge terminates on December 31, 2022; and
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25 WHEREAS, consequently, to complete the project, the City
26 administration and HART have requested that the Legislature
27 enact legislation that extends the county surcharge
28 authorization or makes it permanent; and
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30 WHEREAS, in addition to seeking more revenue from the
31 surcharge, HART is reengineering the rail design, reducing
32 borrowing costs, and seeking public-private partnerships to
33 control construction costs; and



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2 WHEREAS, the Legislature, however, has serious concerns
3 about the ability of HART and the City administration to keep
4 the project within its budget, given their performance so far;
5 and
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7 WHEREAS, the Legislature therefore finds that it should
8 monitor HART and the rail project more closely; now, therefore,
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10 BE IT RESOLVED by the Senate of the Twenty-eighth
11 Legislature of the State of Hawaii, Regular Session of 2015, the
12 House of Representatives concurring, that the Auditor is
13 requested to monitor HART Board of Directors' meetings and
14 review the following documents related to the rail transit
15 project:
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- 17 (1) Management and financial audits of HART and the
18 project;
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20 (2) HART Project Oversight Committee reports and other
21 project management reports;
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23 (3) Project Management Oversight Contractor reports
24 submitted to the Federal Transit Administration; and
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26 (4) Budgets adopted, contracts awarded, and change orders
27 approved by HART for the project or HART operations;
28 and
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30 BE IT FURTHER RESOLVED that, based on the review, the
31 Auditor is requested to submit a monthly report to the
32 Legislature identifying actual, potential, or reasonably
33 anticipated problems or actions that may increase the cost of
34 the rail transit project, delay the completion of the project,
35 jeopardize the receipt of federal funds authorized for the
36 project, or deviate from testimony or other statements to the
37 Legislature by any HART director, officer, or employee or the
38 Mayor of the City and County of Honolulu; and
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40 BE IT FURTHER RESOLVED that the HART Board of Directors and
41 Executive Director and Chief Executive Officer are requested to
42 cooperate with the Auditor; and



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2 BE IT FURTHER RESOLVED that certified copies of this
3 Concurrent Resolution be transmitted to the Auditor, the
4 Chairperson of the HART Board of Directors, the Executive
5 Director and Chief Executive Officer of HART, and the Mayor of
6 the City and County of Honolulu.
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OFFERED BY: _____

A handwritten signature in black ink, appearing to be 'Jm', is written over a horizontal line.